

## EXHIBIT 88

**To:** Udell, Howard [/O=PURDUE/OU=PURDUE US/CN=RECIPIENTS/CN=Howard Udell]; Mahony, Edward [/O=PURDUE/OU=PURDUE US/CN=RECIPIENTS/CN=MahonyE]; Graham, Aaron [/O=PURDUE/OU=PURDUE US/CN=RECIPIENTS/CN=GrahamA]; Seid, Stephen [/O=PURDUE/OU=PURDUE US/CN=Sales and Marketing - Field/cn=B4BEE2C8]; Gasdia, Russell [/O=PURDUE/OU=PURDUE US/CN=RECIPIENTS/CN=58B02E32]; Forsaith, Charles [/O=PURDUE/OU=PURDUE US/CN=RECIPIENTS/CN=ForsaitC]  
**Cc:** Lowne, Jon [/O=PURDUE/OU=PURDUE US/CN=RECIPIENTS/CN=DC999509]; McGrath, Pat [/O=PURDUE/OU=PURDUE US/CN=RECIPIENTS/CN=Pat McGrath]; Watson, Laura [/O=PURDUE/OU=PURDUE US/CN=RECIPIENTS/CN=WatsonL]  
**From:** Colucci, Dan  
**Sent:** Wed 6/6/2007 4:47:57 PM  
**Subject:** SOP 7.7 System to disclose suspicious orders of controlled substances  
SOP.PDF

As you know we have an SOP 7.7 for reviewing suspicious orders--copy attached. These are defined as, "orders of unusual size, orders that deviate substantially from normal buying patterns, or orders of unusual frequency."

In the last week we have received very significant orders from Anda Pharmaceutical a unit of Watson Pharmaceutical Inc. For the past 2 years they have operated successfully with an \$800,000 line of credit and similar exposures. Late last week they placed an order for \$1,682,000 for their Ohio location. Virtually all of it was for OxyContin 40 and 80 mg strengths. This was approved with input from sales and then credit approved following our approval SOP. Yesterday we received additional orders for \$2,050,000 with a very significant order of 80 mg product for the Ohio location.

Today Steve Seid spoke with Anda's buying group and they outlined their reasons for the increased purchases below. Based on Anda's comments sales would like to see us okay the order. As part of Watson they are okay financially and we can justify a \$5.0mm+ exposure.

Please let us know if you have any questions or if you agree.

PS: Per the SOP I could have contacted Chuck when I contacted Steve but I felt it might be a duplicate order so I thought it best to let Steve check first.

-----Original Message-----

From: Seid, Stephen  
Sent: Wednesday, June 06, 2007 4:08 PM  
To: Colucci, Dan; Siciliano, Cheryl  
Subject: RE: Watson's Anda division

Dan,

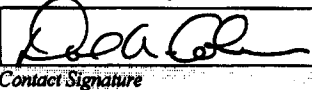
ANDA has seen a rise in demand particularly at the Ohio facility. Example 40mg averaged 130 to 140 units/mo. In the Nov to Feb period March 327 April 280 May 435/. 80mg avg high 200 to low 300 units per month. April 425 May 876.

Please release order.

Steve Seid  
National Accounts  
Trade Relations

-----Original Message-----

From: Colucci, Dan

FINANCE & ACCOUNTING STANDARD OPERATING PROCEDURES MANUAL		
SOP Title: System to Disclose Suspicious Orders of Controlled Substances		
Approval:		Revision Date: 3/12/03
	<i>Contact Signature</i>	<i>Approver's Signature</i>
D. Colucci	E. Mahony	SOP Number: 7.7
Please Print:	<i>Contact Name</i>	<i>Approver's Name</i>
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**1. Objective:**

- 1.1. To define the system for monitoring and disclosing suspicious orders of controlled substances.

**2. Introduction:**

- 2.1. Drug Enforcement Administration (DEA) regulations [21 CFR 1301.74] require all DEA registrants that distribute controlled substance products to maintain a system to disclose suspicious orders of controlled substances.
- 2.2. Specifically, DEA regulations require the following:
  - "The registrant shall design and operate a system to disclose to the registrant suspicious orders of controlled substances."
  - "The registrant shall inform the Field Division Office of the Administration of suspicious orders when discovered by the registrant. Suspicious orders include orders of unusual size, orders deviating substantially from a normal pattern, and orders of unusual frequency."

**3. Frequency:**

- 3.1. These procedures are to be followed for all sales of controlled substance products.

**4. Procedure for Customer Service:**

- 4.1. During the ordinary course of business, members of the controlled substance team in Customer Service are familiar with customer order frequencies, order quantities, and dollar amounts. They review each order for unusual quantities or any other deviation from the customer's regular order pattern.

- 4.2. If any deviations are found, the CSR will submit the customer's purchase order to the Senior Manager of Customer Service or the Senior Director of Finance Operations for further review, as outlined in section 6 below.

**5. Procedure for Credit Analyst:**

- 5.1. As part of the system SAP will automatically place an order on credit hold for further review if the customer's credit line is exceeded.
- 5.2. The Credit Analyst will check the order and, if it deviates from the customer's normal purchasing requirements, will refer the order to the Director of Credit Services for further review, as outlined in section 6 below.

**6. Procedure for Senior Manager of Customer Service, Senior Director of Finance Operations, or Director of Credit Services:**

- 6.1. One of the above personnel will review the situation and, if the order is suspicious as defined in section 2.2 above will contact the customer to obtain additional information.
- 6.2. In determining whether or not to release the order the following factors may be considered:
  - The explanation for the order received from the customer
  - The customer's existing credit line
  - Purdue's credit line insurance limits
  - The customer's payment history
  - Any recent business developments that may have arisen since the customer's last credit review.
- 6.3. After all information has been gathered the Director of Credit will contact the Executive Director of National Accounts & Trade Relations and the Director of Supply Chain Security providing all of the details and requesting their input and additional investigation if deemed necessary.

**7. Communication of Suspicious Orders:**

- 7.1. The Director of Credit will provide the Associate General Counsel with all of the information gathered from Credit Services, Customer Service, National Sales and Purdue's Security Group and make an order recommendation. The Law Department will determine if further investigative steps are required and if the findings should be reported to the Field Office of the DEA.

- 7.2. On receipt of input from the Associate General Counsel, the Director of Credit will make a final report and recommendation to the following senior executives and include a copy of the recommendation in the customer's credit file.
  - Executive Vice President and Chief Financial Officer
  - Executive Vice President and General Counsel
  - Vice President Corporate Security
  - Vice President Field Operations and Marketing
  
- 7.3. In the event the order needs to be reported to the DEA field office Purdue's President and Chief Executive Officer will be notified.

Sent: Wednesday, June 06, 2007 9:41 AM  
To: Siciliano, Cheryl; Seid, Stephen  
Subject: FW: Watson's Anda division  
Importance: High

Steve when you can please call me.

-----Original Message-----

From: Colucci, Dan  
Sent: Tuesday, June 05, 2007 9:20 PM  
To: Lowne, Jon; Dicocco, Tony; Bishop, Steve; Seid, Stephen  
Subject: RE: Watson's Anda division  
Importance: High

Jon & Tony, this needs to be discussed further. I'll explain in the am.

Steves, is it possible they would need another \$2.0mm in product? \$413,000 is for Weston--okay. A new \$1,648,000 for Ohio again. On 6/4 we shipped \$1,682,000. Can we talk tomorrow?

-----Original Message-----

From: Dicocco, Tony  
Sent: Tuesday, June 05, 2007 3:47 PM  
To: Lowne, Jon  
Cc: Colucci, Dan  
Subject: Watson's Anda division

Hi Jon,

I have two orders totaling \$2,062,201.44 for Watson's Anda division. I believe last week Dan had contacted you with another order and the line got bumped up to 2.5mm. The currently have a \$2.5mm line of credit now and with these two orders it takes them up to \$4,504,099.17. The Watson AG account is overall significantly lower due to the Feb decision and that total for Watson AG is \$3.9mm.

Thanks

Tony

Anthony P. DiCocco  
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